

Nova Cofoundery SEIS & EIS Fund

Information Memorandum

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This Information Memorandum is provided for the purpose of providing certain information about investment in the Nova Cofoundry SEIS & EIS Fund (the "Fund" or the "Nova Cofoundry SEIS & EIS Fund"). The Fund is managed by the Manager who is advised by Nova Growth Capital Limited (the "Investment Advisor" or "Nova"). The arrangement between the investors and the discretionary investment management by the Investment Manager of the investments, (on the advice received by the Investment Manager from the Investment Advisor) will constitute The Fund. Investment in the Fund is offered solely on the basis of the information contained in this Information Memorandum. No person has been authorised to give any information or make any representations other than those contained in this Information Memorandum, or in any written brochure, notice or report which accompanies this Information Memorandum, in connection with the offer in the Fund. Neither the Investment Advisor nor the Manager or any of its respective directors, officers, employees, and agents accept any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any information or opinions contained herein or in any other communication in connection with an investment in the Fund except where such liability arises under FSMA, regulations made under FSMA or the FCA Rules and which may not be excluded.

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This Information Memorandum should not be considered as a recommendation by the Manager, the Investment Advisor or its subsidiaries or affiliates (or their respective directors, shareholders, partners, officers, affiliates, employees, agents or advisors) to invest and each potential investor must make his/her own independent assessment of the merits or otherwise of investing in the Fund and should take his/her own professional advice. Neither the issue of the Information Memorandum nor any part of its contents is to be taken as any form of commitment on the part of the Manager, or the Investment Advisor or any of its subsidiaries or affiliates to proceed with an investment envisaged by the issue of the Information Memorandum and the Manager and Investment Advisor reserve the right to terminate the procedure and to terminate any discussions and negotiations with any prospective investor at any time and without giving any reason. In no circumstances will the Manager, or the Investment Advisor or its subsidiaries or affiliates be responsible for any costs or expenses incurred in connection with any appraisal or investigation of the Fund or for any other costs or expenses incurred by prospective Investors in connection with such investment. Neither the Manager nor the Advisor are liable for information published in other public sources.

The information contained in this Information Memorandum makes reference to the current laws of the United Kingdom concerning SEIS Relief and associated tax benefits as at the date of the Information Memorandum. The levels and bases of relief may be subject to change. The tax reliefs referred to herein are those currently available and are of summary nature only. The application and value of such tax reliefs depends upon the individual circumstances of each Investor. Accordingly the tax reliefs may or may not apply to any specific individual depending on their circumstances, and may change or be withdrawn by the government or the taxation authorities. If you are in any doubt as to your position, you are strongly advised to consult your professional advisor before making an investment.

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A.

Welcome



Dear Investor,

We now live in an online, on-demand disruptive economy. Between 2000 and 2014, 52% of the Fortune 500 companies either went bankrupt, were acquired or ceased to exist as a result of digital disruption. In 1958 the average life expectancy of a S&P 500 company was 61 years, in 2011 that life expectancy was 18 years. At the present rate of churn research by Innosight in 2017 estimated that 75% of the S&P 500 will be replaced by 2027. We have never seen a time of more dramatic corporate churn.

Research tells us that the companies created to take advantage of this turmoil, built to fill the gap in changing markets, with no historical baggage to slow them down on average are growing at 34% year on year^[i], we believe this is really compelling growth.

However, 92% of these companies fail within 3 years^[ii]. I hear this figure all the time, it seems like it has almost become acceptable to some investors.

Interestingly when you look at the reasons for failure, 80% of mistakes made are accounted for by the same five errors^[iii]. Further, these same mistakes are addressed by accepted current business thinking, commonly found in the teachings of the Lean movement.

We believe we owe it to our entrepreneurs and our investors to create a more rewarding experience, and this belief led Nova to develop the Cofoundry business model.

The Cofoundry approach to creating new ventures addresses five of the most commonly made mistakes by startups.

As you would expect this results in a significant increase in the success rate of our portfolio companies. After over 70 investments, our current portfolio post-3-year failure rate is just 54% as compared to the industry standard of 92%.

In turn, this has resulted in exceptional growth in portfolio value. At July 2018 my own and Nova's portfolio combined has enjoyed average annual growth in excess of 80% year on year for 10 years.

Now for the first time, as a private investor, you can invest in the Nova Cofoundry SEIS & EIS Fund (the Fund). In doing so you are investing alongside Nova in our Cofoundry portfolio. Along with benefiting from the many years of operating experience accumulated by the Nova team you are also benefiting from, in our view, a very attractive category of tax relief available to UK investors.

Welcome to the Nova Cofoundry SEIS & EIS Fund, I believe you will have a rewarding experience.

Yours Faithfully,

A handwritten signature in black ink that reads "Andy Davidson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Andy Davidson
Chief Executive Officer

[i] syndicatoroom, [ii] startup genome project, [iii] 100firsthits



Executive Summary

1. The Opportunity

The Fund is an opportunity to invest alongside Nova in their portfolio of early-stage knowledge intensive companies.

Nova accepts the available data that suggests:

- Companies within the UK knowledge intensive market segment are on average growing at 34% year on year
- 92% of these technology startups typically fail within 3 years
- 80% of the mistakes that startups make are accounted for by 5 major errors

Members of the Nova team have spent the last 10 years developing their cofoundry model, in order to access this 34% year on year market growth, while minimising the risk of losses due to the high 92% failure rate of companies within this market.

The Cofoundry model works by operationally addressing 5 of the most common mistakes which account for 80% of all the mistakes which startups make:

- Building something nobody wants
- Having the wrong cofounders
- Hiring the wrong people
- Failing to execute sales and marketing
- Chasing investors and not customers

Each investors funds are co-invested alongside Nova into a diversified cohort within Nova's portfolio of at least ten early-stage knowledge-intensive companies, this diversification is large enough to reasonably mitigate the risk of failure across the whole cohort.

The Fund further reduces investor risk and increases returns by allowing the investor to take advantage of considerable income tax, capital gains tax, and inheritance tax benefits available under the Seed Enterprise Investment Scheme or Enterprise Investment Scheme providing that the investor is a UK tax payer.

[iv] Based on an EIS investment by a higher rate taxpayer

Nova takes a modern approach to deal origination and founder due diligence, regularly appraising over 25 opportunities before making an investment.

As you would expect, Nova's portfolio data reflects their improvement on market norms:

- Portfolio value growth of 83% year on year
- 54% of portfolio companies fail within 3 years

When combined with the SEIS or EIS benefits offered by the Fund we believe this makes a compelling proposition for investors:

- A 0.2% chance of every company in the cohort failing
- A minimum return of 58p in the £1 in the unlikely event that every company in the cohort fails^[iv]
- Target returns of £2.18 in the £1 based on targeted 20% year on year portfolio growth
- Returns of £5.70 in the £1 if portfolio growth continues at 83%

2. Key benefits:

- An engaged hands-on approach from an experienced startup team
- Free of manager fees to the investor for subscriptions received via a financial advisor, facilitating up to 100% deployment of investor funds ensuring maximum tax efficiency for the investor
- All SEIS and EIS tax advantages applicable, depending on personal circumstances
- Target return of 218p for every 100p invested
- Performance fee aligned with the investor's interests
- The potential to deliver investor returns of up to 10x investment cost on disposal of an investee company

3 . Manager Fee Free at the point of Investment

The Fund is a manager fee-free SEIS opportunity at the point of investment. However Nova will receive an incentive fee of 20% of the amount of cumulative total cash returned to the Fund by each portfolio of Investee Companies into which the investor's monies have been invested in excess of 150% of the amount of funds invested in the respective portfolio. For clarification, once the Investor has received in cash the first 150 pence per 100 pence invested (ignoring any tax relief and representing a 50% Hurdle Rate on funds invested), any additional distributable cash will be paid as to 80% to the Investor and 20% to Nova. This structure allows investors to enjoy up to 100% of the tax benefits of monies invested.

4 . Nova's Fee Structure

Nova will charge the following fees to its investee companies:

- Corporate advisory and arrangement costs - up to 5% of funds invested in the Investee Company
- Annual management charge - up to 2% per annum on the funds investee

5 . Historical Performance & The Target Return

The investment objective of the Fund is to generate returns of £2.18 for every £1 invested.

If future performance continues in line with historical performance returns will reach £5.70 for every £1 invested.

6 . Who is the Nova Cofoundry SEIS & EIS Fund intended for?

The Fund is intended for those UK tax paying individuals:

- Seeking a diversified exposure to knowledge intensive companies in the UK
- With income tax liability in the preceding or current tax years
- With large capital gains to defer or mitigate
- Who will benefit from IHT relief

The minimum individual investment in The Fund is £5,000. At Nova's discretion, smaller individual investments may be accepted. The selection of investee companies and the subsequent allocation of investor's subscriptions to the investee companies are made at the discretion of the Investment Manager with appropriate guidance from the Investment Advisor.

7 . Key Risks:

- Investors should note that their subscription will be invested in shares issued by startup and small unquoted investee companies
- Given that the investee companies will be at seed stage, it is unlikely that the investee companies will have revenue-generating ability at this time
- It is unlikely that subscribers will have access to their capital for at least 5 years from the date of subscription
- Due to the nature of investing in small unlisted companies, investors must be aware that their capital invested is at risk
- Tax reliefs currently available under the Seed Enterprise Investment Scheme and Enterprise Investment Scheme and stated investment returns are not guaranteed and may not be delivered
- The value of Investee Companies shares may go up or down. An Investor may lose some or all of their investment. The past performance of the Manager is not a guide to the future performance of the investments made through the Fund

The list in this Section 7 is not exhaustive and other risk factors exist. Please refer to the Risk Factors in Section F for further information. As Nova Growth Capital Limited are not permitted to offer financial advice, each party strongly recommends that subscribers seek suitably qualified and independent professional advice to assess the appropriateness and suitability of their subscription.

8 . Dealflow

Nova leverages appropriate technology to inexpensively source and mentor potential founders. This gives us a tremendous capability to perform real “in person” due diligence on our entrepreneurs before we co-invest, it allows us to understand and model our performance funnel and gives us excellent control of deal flow. We typically see over 25 opportunities per investment that we make.

Examples of eligible opportunities could include innovative software development, new medical technology applications or fintech or ed-tech innovation, originated by a founder with appropriate domain expertise. Such investee opportunities will strive with hands-on guidance, mentoring and execution from their cofounding team at Nova, towards the delivery of a proof of concept, minimum viable product, or prototype. The Company will use this deliverable to demonstrate utilisation by early adopters to position the Company optimally for a potential EIS raise to fund commercialisation and growth.

9 . Coinvestment

Nova provides human resources and services to each start-up within the portfolio on a flexible basis. This prevents the start-up from locking in fixed monthly costs, provides a flexible cashflow runway and ensures the start-up has the optimum mix of skills and experience to achieve their objectives. Nova receives part of its payment for these services in cash and invests part of its payment on the same terms as the Fund, hence coinvesting. This ensures the alignment of both Nova and the Fund Investors in seeking successful exits for the portfolio companies.

10 . Tax Reliefs

The Fund is structured to provide eligible investors who are tax resident in the UK, with the opportunity to obtain tax advantages available under either the Seed Enterprise Investment Scheme (SEIS) or the Enterprise Investment Scheme (EIS). SEIS or EIS relief is available to investors in respect of each investment in an Investee Company, made under the investment mandate of the Fund, by reference to the date the investment is made.

Under SEIS and EIS, the main shared tax advantages that may be claimed by a qualifying investor are as follows:

- Income tax carry-back relief. Investors can claim income tax relief for the tax year in which they invest in the underlying companies, as well as the tax year immediately preceding the investment. This enables the investor to claim tax relief in the period(s) most advantageous to him/her.
- Loss relief. A loss on any qualifying investment in the portfolio, irrespective of the overall performance of the portfolio, can be offset by individuals against income of the tax year of loss, or the previous year, or against capital gains of the tax year of the loss and future years.

Under SEIS, the main tax advantages that may be claimed by a qualifying investor are as follows:

- 50% income tax relief up to a maximum investment in SEIS of £100,000 per tax year per individual.
- Reinvestment relief available to provide exemption for other capital gains made in the year of up to 50% of subscriptions on which SEIS relief is claimed.
- Tax-free gains. There is no capital gains tax liability on gains on the disposal of shares which have been held for 3 years in SEIS qualifying companies, on which SEIS income tax relief has been obtained and not withdrawn.
- 100% inheritance tax exemption after each individual investment has been held for at least 2 years.

Under EIS, the main tax advantages that may be claimed by a qualifying investor are as follows:

- 30% upfront income tax relief up to a maximum individual investment of £2m per tax year, subject to at least £1m being invested in Knowledge Intensive Companies (pending EU State Aid approval).
- Capital gains tax deferral of unlimited gains on the sale of any assets if an EIS investment made within one year before or three years after the date of the disposal of the assets which give rise to a gain.

- No capital gains tax on the disposal of shares which have been held for at least three years in EIS Qualifying Companies on which EIS income tax relief has been obtained and not withdrawn.
- 100% inheritance tax exemption after EIS qualifying investment has been held for at least two years. Please note that HMRC will only assess whether your investment is Business Relief qualifying, and therefore eligible for 100% Inheritance Tax exemption, upon death and not at the time that the investment is made. Therefore, legislation at the time of death will be the basis for assessment for Business Relief eligibility.

Please note that tax benefits depend on personal circumstances, are not guaranteed, and rely on UK tax legislation which may change in the future.

11 . Use of Tax Reliefs

Investments made into the fund are split between SEIS and EIS qualifying companies. Investments of £150,000 or less are split 67% SEIS qualifying and 33% EIS qualifying. Investments of more than £150K are split £100,000 SEIS qualifying and the balance EIS qualifying. This allocation can be varied by prior agreement with an individual investor at the discretion of Nova.



The Nova Cofoundry SEIS & EIS Fund

1. Key features

Structure	Alternative investment fund
Maximum Raise	Open-ended
Minimum Subscription	£5,000 per investor. At Nova's discretion, smaller individual investments may be accepted
Maximum Subscription	£2,100,000 per investor
Target Return	218p per share, a gross equivalent return of >20% per annum (not guaranteed)
Fees and Charges	100% manager fee-free at point of investment, if subscriptions are received via a financial advisor
Focused Investment Strategy	The Fund seeks to offer investors a diversified exposure of a minimum of 10 investee companies each of which is engaged in solving industry problems with the use of a digital solution. It is envisaged that each subscription will be deployed across each portfolio company on a diversified basis, at the discretion of Nova
Recycling of Capital	The Investor must hold the assets for a minimum three years to secure the full tax advantages available. On exit of Investee Companies, you may give us notice in writing at any time that you do not want future proceeds to be redeployed in this case, any funds from realised investments will be distributed to you

 TAX RELIEF SCHEME SEIS & EIS	 COMPLIANCE STATUS alternative investment fund	 MINIMUM INVESTMENT £5,000	 MAXIMUM INVESTMENT £2,100,000	 SECTOR knowledge intensive	 CLOSING DATE evergreen
 MAXIMUM RAISE uncapped	 CLIENT TYPE retail & professional	 DEPLOYMENT monthly & annually	 TARGET RETURNS 218p for every 100p invested	 TARGET TIME SCALE 6 years	

2 . Investment Opportunity

We all understand that we live in times of rapid change, sometimes we need to stop and think about what this pace of change means to us as investors.

We live in an age of ideas, and critically due to the on demand nature of digital infrastructure, we now have the capability to execute on ideas like never before. Those ideas are disrupting the fabric of business models that in some cases have been prevalent for over a hundred years.

Between 2000 and 2014, 52% of the Fortune 500 companies either went bankrupt, were acquired or ceased to exist as a result of digital disruption. In 1958 the average life expectancy of an S&P 500 company was 61 years, in 2011 that life expectancy was 18 years.

At the present rate of churn research by Innosight in 2017 estimated that 75% of the S&P 500 will be replaced by 2027. We have never seen a time of more dramatic corporate churn.

We now live in an *Online, On-Demand* disruptive economy

Between 2000 & 2014, *52%* of the Fortune 500 Companies have disappeared

Research tells us that the companies created to take advantage of this turmoil, built to fill the gap in changing markets, with no historical baggage to slow them down on average are growing at 34% year on year, this is really compelling growth.

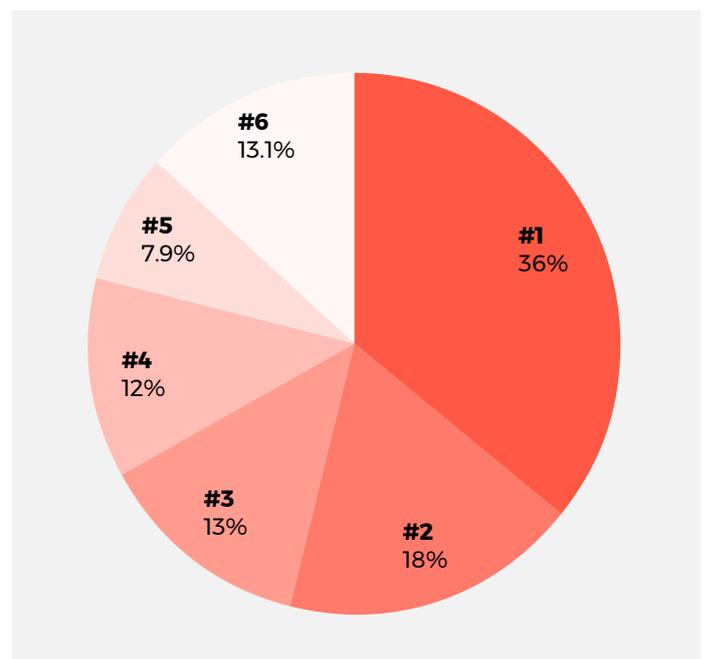
Yet 92% of them fail. We hear this figure all the time, it seems it has almost become an acceptable figure.

Research shows that 5 errors account for 80% of the mistakes that startups make. These 5 errors are addressed by accepted current thinking.

The Nova Cofoundry model has been designed over the last ten years to take advantage of this tremendous growth opportunity while at the same time mitigating the risks from these commonly made mistakes.

5 commonly made mistakes

- #1 Build something nobody wants
- #2 Hiring poorly
- #3 Failing to execute sales & marketing
- #4 Not having the right Cofounders
- #5 Chasing the investors, not customers
- #6 Other



100firsthits.com

3 . Nova Cofoundery SEIS & EIS Fund

The Fund invests alongside Nova and benefits from:

- Co-Investing with experienced partners
- In complete and trusted founder teams
- Building the right product
- That can survive beyond zero cash
- Contributing to portfolio performance metrics

Ultimately delivering a better return on investment.



Co-invests with experienced partners



Complete and trusted founder teams



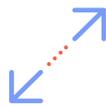
Building the right product



They can survive beyond zero cash



Portfolio analytics delivering better return on investment



Non - revenue performance metrics track journey to scale

4 . Track Record & Projected Returns

Over the past 10 years, we have invested in 70 companies, and only 54% have failed compared to the standard market failure rate of 92%. While the market has grown quite impressively 34% year on year, our own yearly average portfolio growth is 83%.

Across our portfolio, we have created over £72M of shareholder value, and as we only invest at the point of a company's inception, none of that value existed before we became involved. Against the backdrop of a market growing at 34% year on year, the Fund is prudently projecting growth of 20% year on year. This will deliver our target investor returns including tax incentives of £2.18 for every £1 invested.

If however, Nova portfolio growth continues in line with the historical performance of 83% investors will see returns of £5.70 for every £1 invested.

Track record

- 10 years early stage investment experience
- 70 companies invested in
- 54% failure rate within 3 years, not 92%
- 83% year on year growth rate, not 34%

Projected Returns



83% portfolio growth, yielding returns of **£5.70 in the £1**

20% portfolio growth, yielding returns of **£2.18 in the £1**

5. Investment Strategy and Operating Models

Founders and Resourcing

Founder teams themselves are inherently risky. Often, founder teams are incomplete or lacking in key skills and critically most or all of the members are relatively unknown to the investment manager.

62% of failed start ups cite cofounder conflict as a reason for failure

Cofounders are hard to come by, building a team is difficult, expensive and risky

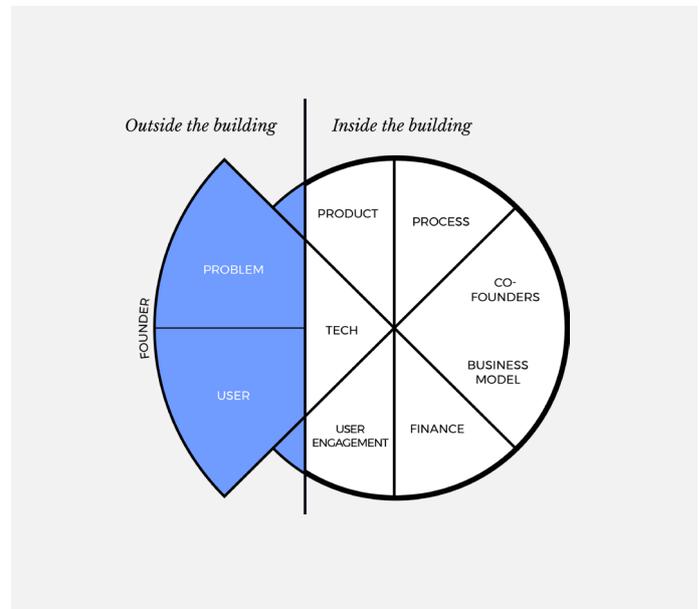
Investors often back a relatively unknown founder and cofounder team

The cofoundery model addresses these problems. Nova understands the skills required by a co-founder team and can fill the gaps in the founder's capabilities. This way the co-founder team is known to the investment manager and importantly if the co-founder team doesn't feel they can work with the founder then the opportunity is deselected by Nova.

A cofoundery provides a team of cofounders with relevant and diverse skills

The cofounder team is known and trusted by the investor

The Cofounders vet the founder as part of the process



Team on demand

We say live in an on-demand society yet so much of a typical startup's costs are not on demand at all. Team member's wages need paying and when they are not paid, the learning and knowledge within the business walks out the door.

At a cofoundery, all of the business's execution capability is provided flexibly from within the cofoundery. If the startup runs out of cash, the lights stay on and the service continues allowing the founder to work on a plan B benefiting from the knowledge and capability that is still retained in the cofoundery.

Start Up

- People are expensive fixed costs
- Wages need paying
- Knowledge leaves the business

Cofoundery

- Flexible resourcing and costs
- Continue operations beyond zero cash
- Knowledge stays in the cofoundery

Product Design Process

“Founder bias” is well understood, yet many startups continue to focus on the "Build" element of the "Build Measure Learn Loop". We can't blame founders for this; they are under pressure from their investors to demonstrate tangible progress. In our experience most founders have never heard of a “Build Measure Learn Loop”.

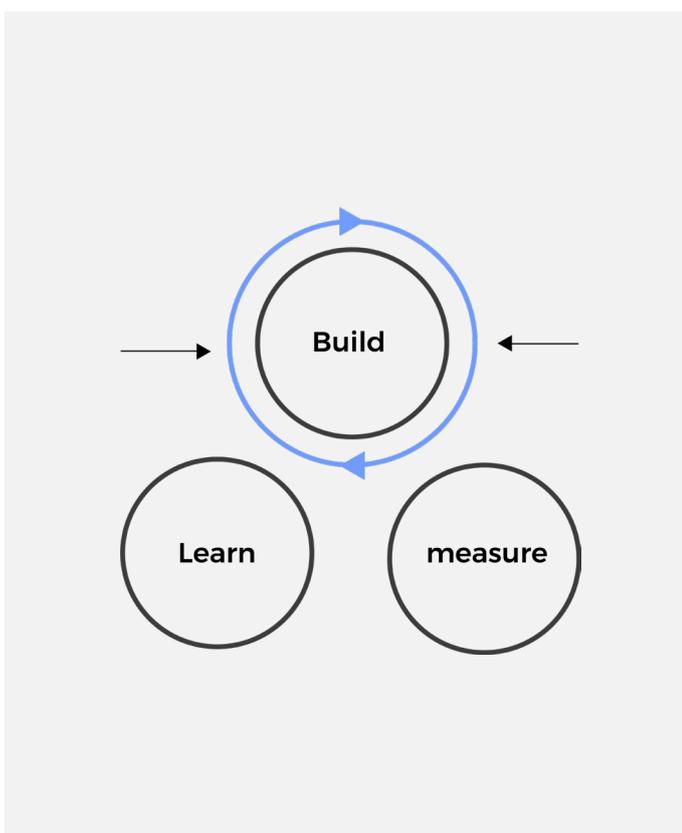
Innovation Management has become a branch of Management Science. There are many books written on the subject, it's difficult for founders to keep up with relevant thinking!

The cofoundry model provides the founder with a tried and tested methodology for focusing on the problem they are trying to solve, their end user and ultimately the business model that will succeed in their market. Too many startups are focused on their solution and the buyers they can initially sell to, rather than the problem they are trying to solve and the user who is experiencing it.

Start Up

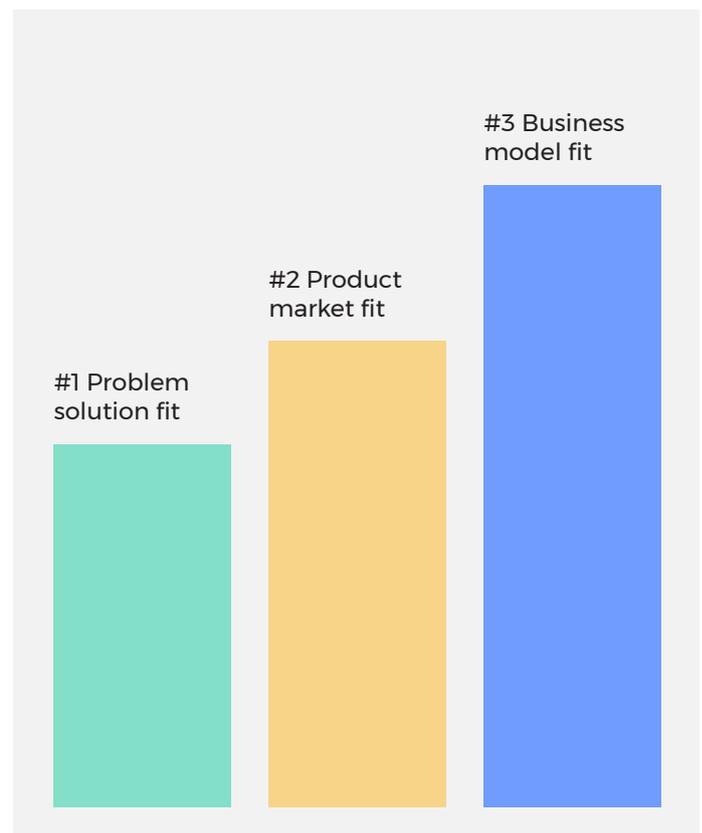
- Founders building something nobody wants is the #1 mistake which startups make accounting for 36% of all mistakes which startups make
- “Founder bias” creates a focus on build over measure and learn

Source: * startup genome project startupgenome.com

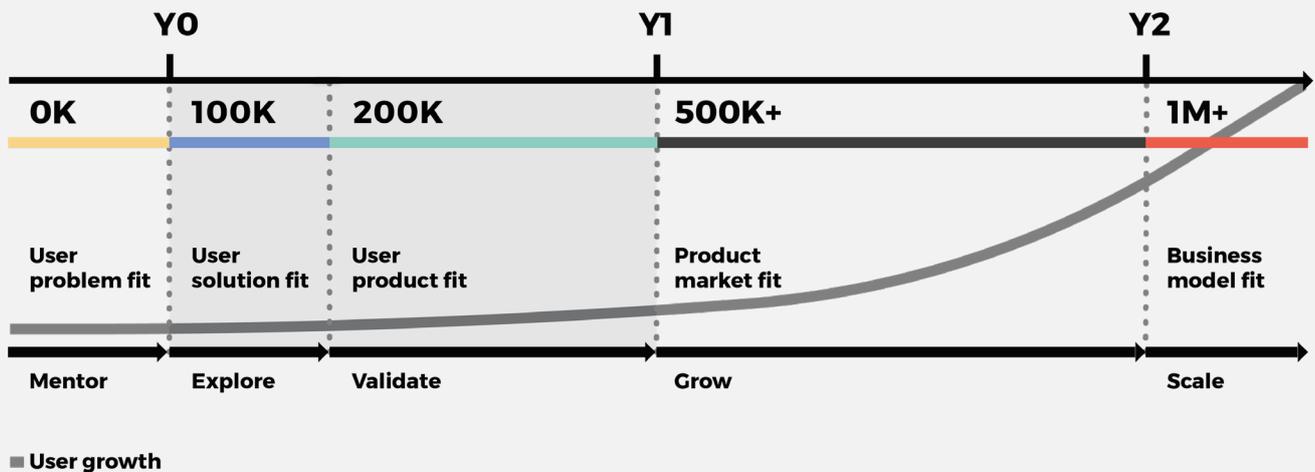


Cofoundry

- The Cofoundry process focuses on the problem, the user and the market... not the solution
- This results in problem solution fit, product market fit and business model fit



Startup life cycle - Cofoundry



Lifecycle and Continuity of Capital

On the subject of Innovation Management, you may well recognise some of these different startup lifecycle models. Leading thinkers such as Steve Blank, Paul Graham, and Geoffrey Moore are represented here.

In our experience, founders don't understand these models. The implications of this are that they scale their team too early, they fail to obtain product-market fit, miss their revenue targets and fail expensively.

74% of high growth internet start-ups cite premature scaling as a key reason for failure. So why do investors let them do it?

At a cofoundry, we educate our founders about startup lifecycle from the outset and our co-founders are experienced in our process.

We understand where each product is in its lifecycle and we understand what its next objectives should be. We then align our investment gates and roadmap accordingly. As investors, this affords us control and visibility of future capital requirements.

Start Up

- Ignorance of Start-up lifecycle
- 74% of high growth internet start-ups cite premature scaling as a key reason for failure*
- Failure to gain product market fit
- Failure to cross the chasm

Dealflow, Mentoring & Portfolio

Modern e-learning methods mean we can inexpensively mentor large cohorts of potential founders. This gives us a tremendous capability and allows us to perform real in person due diligence only on the best founders before we co-invest. It allows us to understand and model our performance funnel and gives us excellent control of deal flow.

Dealflow, Mentoring

Performance funnel

- 300+ leads
- 50 mentored
- 12 £50K SEIS explore investments
- 8 £100K SEIS validate investments
- 4 EIS Growth investments



6 . Portfolio Diversification & Risk Mitigation

Each investor's investment is spread across a cohort of at least 10 different companies.

Statistical analysis of our performance data shows that a portfolio of 10 companies has a 0.2% chance of all companies failing within 3 years.

The cohort is most likely to have between 3 and 6 successful companies.

In the unlikely event that each company in the portfolio fails, the Fund will still provide a 58p in the £1 return from income tax relief.

7 . What types of businesses will the Fund invest in?

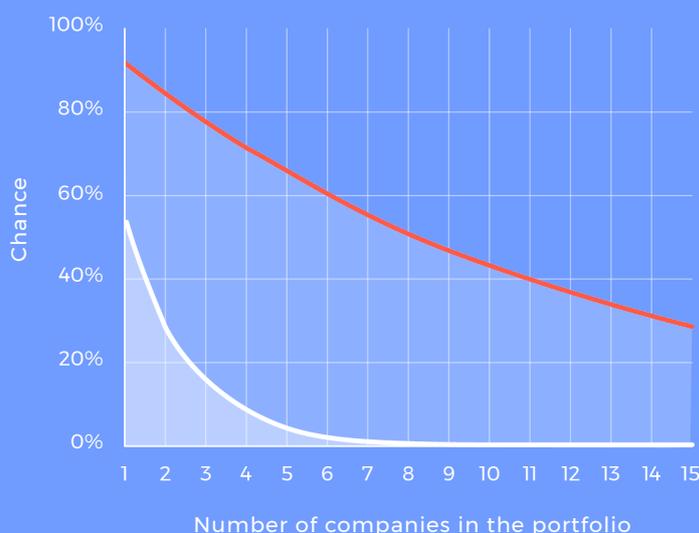
The investment strategy of the Fund is for subscriptions to be invested in a diversified portfolio of a minimum of 10 investee companies that exhibit some or all of the following qualities:

- Significant market potential with clear and demonstrable consumer or commercial need or demand
- A problem originated solution that has the potential to create new market segments or displace current market offerings
- Companies that utilise a technology-derived platform and/or an innovative approach to meet a newly-identified or existing market or consumer demand
- Knowledge-intensive opportunities that possess a clear and realistic path to the delivery of a minimum viable product or prototype
- A clearly defined strategy aimed at creating and protecting intellectual property.
- Passionate, energetic and experienced founders
- A clear exit strategy to be implemented within 4-5 years with an alignment of founder interests with shareholders.

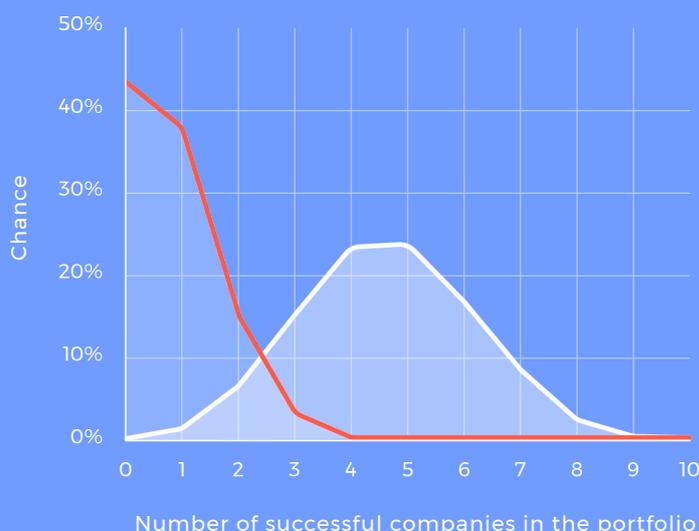
Market 92% individual failure rate

Nova historical 54% individual failure rate

Chance of all companies failing at various portfolio sizes



Likely number of successful companies within a portfolio of 10



You must be able to take full advantage of available income tax relief and have paid enough income tax in the year the portfolio losses are realised to benefit from the full downside protection provided through tax relief.



The Team



Andy Davidson

Chief Executive Officer

Andy is a software engineer and serial technology entrepreneur. Over the last 20 years he has co-founded numerous technology companies, he still holds directorships in many of them, including Lucid Games and Sentric Music. Along with software engineering. Andy has strong financial experience, raising over £5M in seed venture capital for the companies he has co-founded. In 2017 Andy was recognised by the Sunday Times as one of the UK's top 100 disruptive entrepreneurs.



Olivia Greenberg

Chief Growth Officer

Olivia is a digital innovation, transformation and delivery specialist, with over 20 years experience. Olivia leads Nova's start up team delivering lean startup business support to all Cofoundry prospects and investees. Olivia spent 14 years, in different spells, at Amaze between the years 1999-2013 as programme manager, programme director, operations director and change management consultant. In her time there, she was directly responsible for the entire delivery portfolio and teams comprising 25+ people across 4 offices. More recently, Olivia has conceived and delivered digital innovation and transformation programmes for the London-based AstraZeneca Digital Innovation Hub in 2014.



Paul Morrissey

Chairman

Paul is a veteran digital and telecoms entrepreneur and is exceptionally well-connected in the telecoms, film, media and digital industries. He founded the Tubedale group in 1989 which are an international telecommunication, project management, software development, and integration practice. Paul is also the Ambassador for Big Data Analytics and Customer Experience for the TM Forum which, with 900 members, is the largest global trade association focused on bringing together the digital ecosystem. Paul is currently Chairman of Lucid Games, Tubedale Films, Stagereel Films and A&M Wealth Management.



Akshay Bhatnagar

Chief Investment Officer

Akshay is a KPMG qualified Chartered Accountant with a 20 year career in Venture Capital Fund Management and Corporate Finance. After a career with CDC Group and Aureos Capital, Akshay joined Alliance Fund Managers as part of the Venture Fund team managing the £40m MSIF Venture Fund. Both at Aureos and MSIF, Akshays roles were split between new deal execution and portfolio management. Akshay went on to work as Investment Director of BFS Funding Managers Ltd, before joining Nova as Chief Investment Officer in March 2017.



Sir Terry Leahy

Shareholder

Former CEO of Tesco. Sir Terry was Knighted for services to food retailing in 2002. He is known for transforming the supermarket industry in Britain, growing Tesco to the largest chain in the UK and one of the largest retailers in the World. During his CEO tenure, Tesco quadrupled both sales and profits and expanded into new products, store formats, lines of business and geographies. Among many awards, he was recognized by the Wall Street Journal and CNBC as European Business Leader of the Year (2005) and named European Businessman of the Year by Fortune (2004). Terry is a Senior Advisor at Clayton, Dubilier and Rice and has numerous board positions.



Bill Currie

Shareholder

Bill is the founder of the William Currie Group, which specialises in investments in the retail, e-commerce and tech sectors. Previously Bill was a top-ranked, multi award-winning retail analyst for Barclays (BZW), Hoare Govette and Charterhouse Securities, where he was Joint Managing Director. Current directorships include Eagle Eye Group PLC, Metapack Ltd, Belvedere Energy, and LTS Group. Key past investments have included ASOS, QXL, The Hut Group, Zooplus, and Caffé Nero.



Service, Offer Details & Charges

1 . Service

The arrangements described in this Information Memorandum relate to the Fund, an alternative investment fund.

This service will be conducted subject to the terms of the Investor Agreement.

By agreeing to subscribe to the Fund, it is the Investment Manager that selects the opportunities based on advice received by the Investment Advisor. The minimum subscription from an investor is £5,000 and there is no maximum subject to the annual subscription limit per investor of £100,000 for SEIS investments and £1m for EIS investments as stipulated by the HMRC. At Nova's discretion, smaller individual investments may be accepted.

The selection of investee companies for deployment will be at the discretion of the Investment Manager, with advice from the Investment Advisor. Each company is to own identified intellectual property which is intended to be developed from post-concept to a minimum viable product or prototype.

The Manager, with direction by the Investment Advisor, will exercise its discretion with respect to all investments made on behalf of investors, and Investors will be notified when their account is fully invested, and may be invited to re-subscribe in order to extend their investment programme.

2 . Investment amounts

The minimum investment is £5,000. Lesser amounts may be accepted by the Manager at their discretion. The maximum investment per annum is £100,000 for SEIS investments and £2m for EIS investments as stipulated by the HMRC.

3 . Eligibility & suitability

The Fund is permitted to accept investment from all retail clients who understand the risks of investing in SEIS and EIS products. However, the investor should consider an investment in the Fund as a longer term investment, and Investments made by the Fund are likely to be illiquid.

It may be that individual circumstances make the Fund unsuitable for an investor. We therefore recommend that any investor seek advice from their financial advisor before making any investment decision.

4 . Who is the Nova Cofoundry SEIS & EIS Fund suitable for?

This opportunity would be suitable for UK tax-paying investors who want direct access to the fast growing and constantly evolving technology sector, have a high tolerance of risk, are looking for a longer-term investment and whose personal circumstances allow them to take advantage of the tax reliefs available under the Seed Enterprise Investment Scheme and Enterprise Investment Scheme, such that they are able to benefit from the income tax relief and/or defer capital gains, for example:

- An investor who has sufficient income tax liability to claim the 50% income tax relief under the SEIS or claim the 30% income tax relief under the EIS
- An investor wishing to defer a taxable capital gain
- An investor wishing to defer a capital gain, but who also has sufficient income tax liability to claim the 50% income tax relief under the SEIS or claim the 30% income tax relief under the EIS

The minimum individual investment in the Fund is £5,000. Investors should note that the assets to be held by the Fund will be shares in small unquoted companies (with accompanying high risk) and that they are unlikely to have access to their capital for at least 3 years from the date of application.

Please note that investors need to be able to make their own investment decisions and should seek professional independent advice prior to investing in the fund. Neither the Manager nor the Investment Advisor can provide advice on the suitability of the opportunity presented.

5 . Costs & Fees

The goal of the Fund is to maximise the allocation of shares in each company the Investor invests in and in turn the Investor will receive full tax relief on the investment. To this end, fees will be charged to the Investee Company post the investment and not prior to investment.

a Facilitation of financial advisor remuneration

For advised sales made via an FCA authorised financial advisor, Advisor remuneration can be met by an advisor facilitation charge paid to that advisor by Nova, subject to a maximum 3% fee of the subscription amount, upon express permission received by the Investment Manager from the Investor. Please note that for applications made via the Nova Investor Portal, the intermediary facilitation charge will be paid to the advisor by Nova and will not be deducted from the investor's subscription.

For non-advised sales made via an FCA authorised financial advisor, where no advice is given, advisor remuneration may be met by an intermediary facilitation charge subject to a maximum 2% fee of the subscription amount, upon express permission received by the Investment Manager from the Investor. Please note that for applications made via the Nova Investor Portal, the intermediary facilitation charge will be paid to the advisor by Nova and will not be deducted from the investor's subscription.

b Corporate advisory & arrangement costs

The Investment Advisor will charge the Investee Companies a corporate advisory and arrangement fee of up to 5.0% of funds invested in that Investee Company.

c Annual maintenance fee

An annual maintenance fee of 2% of the funds invested in an Investee Company will be paid to the Investment Advisor by each Investee Company on an annual basis. From this fee, the Investment Advisor will pay certain operating costs of the Investee Company including the ongoing monitoring of each Investee Company.

d Performance incentive fee

The Investment Advisor will receive an incentive fee of 20% of the amount of cumulative total cash returned to the Fund by each portfolio of Investee Companies into which the investor's monies have been invested in excess of 150% of the amount of funds invested

in the respective portfolio. For clarification, once the Investor has received in cash the first 150 pence per 100 pence invested (ignoring any tax relief and representing a 50% hurdle on funds invested), any additional distributable cash will be paid as to 80% to the Investor and 20% to the Investment Advisor. This is intended to align the interests of the Investment Advisor with those of the Investors and the incentive fee will therefore only become payable if the total cash returned to Investors exceeds the amount of initial capital invested by 50% or more.

6 . Reporting & Valuations

The Custodian will produce and upload statements to investors' online accounts quarterly in January, April, July and October with April's being an annual statement rather than a quarterly one. These statements will contain details of all investments in the Investors participation in the Fund.

7 . Liquidity

In order to benefit from the tax advantages available under the SEIS and EIS, the Investor must hold the qualifying shares for a minimum period of three years (for inheritance tax purposes, BR-qualifying assets for two years at time of death). Therefore, any amounts realised from the qualifying assets during the three year period will not be eligible for full relief and may be subject to taxation.

8 . Right to Cancellation

An Investor may exercise a right to cancel his or her Subscription and terminate the Investor Agreement by notification in writing to the Manager at 134 Buckingham Palace Rd, Belgravia, London, SW1W 9SA. within 14 days of the Manager's acceptance of the Investor's Application Form.

On exercise of the Investor's right to cancel, the Manager will refund any monies paid to the Fund by the Investor, less any charges the Manager has already incurred for any services undertaken in accordance with the Investor Agreement and less any fees paid by Investee Companies that will be required to be refunded to those Companies (if applicable and as appropriate). Monies will only be returned to the Investor after satisfactory completion of checks by the Manager under the Money Laundering Regulations 2017 (as amended). The Investor will not be entitled to interest on monies refunded following cancellation for the period between receipt in the Custodian's client bank account and the day upon which the monies are refunded.

9 . Regulatory & Compliance

The Fund is not a distinct legal entity and is not a collective investment scheme as defined in section 235 of the Financial Services and Markets Act 2000.

For legal and tax purposes (and as typical with such funds) the Investor will be the beneficial owner of the shares in the Investee Company. The Nominee will be the registered holder of all investments in the Fund.

The Fund is structured as an HMRC unapproved fund. The Fund is treated as an alternative investment fund in accordance with the EU alternative investment fund Managers Directive. The Manager has been authorised to act as manager of alternative investment funds.

The Fund will be the professional client of the Manager for the purposes of determining which provisions of COBS will regulate the obligations owed by the Manager to Investors in common, who accordingly, will not be treated, on an individual basis, as clients of the Manager for regulatory purposes.

Applications may be made by Investors directly to the Fund by completing the Application Form (Private Investor) provided such applicant fulfils the COBS rules appropriateness requirements in respect of the investment as assessed by the Manager.

Applications may be made through financial advisors providing advice who, as required by the COBS rules, will comply with the COBS suitability rules in respect of the investment. Such financial advisors will complete the Application Form (Financial Intermediary).

Applications may be made by execution-only intermediaries by completing the Application Form (Financial Intermediaries). Such intermediaries may distribute this document to their clients and subject to compliance with the COBS appropriateness rules (COBS rule 10) to high net worth individuals (COBS rule 4.7.7(2)(a), certified and self- certified sophisticated investors (COBS rule 4.7.7(2)(b) and (c) and restricted investors (investing only 10% of their assets in non-readily realisable securities: COBS rule 4.7.7(2)(d).



Risk Factors

You should only invest in the Fund if you have financial security independent of any investment made. The value of shares purchased in the Investee companies, and any income derived, may fall as well as rise and investors may lose all capital invested. Past performance is not a guide to the future. Investing in SEIS and EIS companies is considered to be very HIGH risk.

Potential investors should be aware that tax rules are subject to change at any time and the current tax reliefs described in this document may not be available in the future. The Investment Advisor will undertake regular due diligence, as far as practical, on the Investee Companies and take reasonable steps to ascertain if Investee Companies are SEIS or EIS qualifying. However, the Investment Advisor does not guarantee that all investments made will qualify or continue to qualify for SEIS or EIS. The Investment Advisor also does not guarantee the timescale for fully investing portfolios, or that Subscriptions will be fully invested at all times in the future. Please note that the risks described in this section “Risk Factors” are non-exhaustive.

For the avoidance of doubt, the risk factors contained in this section are not exhaustive. Additional risks and uncertainties relating to the Investee Companies that are not currently known to the Manager, or that the Manager currently deems immaterial, may also have an adverse effect on the Investee Companies’ businesses, financial condition, operating results or share price. List of risk factors below are based upon their determination of what may be most significant to a prospective investor. However there may be risks which are currently not known or in the opinion of the Manager and Advisor considered to be immaterial. Such risks may materialise at a later stage and may significantly impact the performance of the Fund.

Investing in early stage technology companies carries a number of key risks which may negatively impact the performance of the Investee Companies and the Fund overall. Such risks are commercial risks (failure to commercialize products), licensing risk, competition, loss of key customers, reputational risks, limited resources, regulatory risks, patent risk, intellectual property risk, product liability risk, failure to reach sufficient market acceptance, lack of operating history. Any product may fail to offer material commercial advantages over other products, third party risk, distribution, solvency risk or pricing risk. Third parties may fail to provide the Investee Companies with sufficient quantities of

product or fail to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance. Small companies usually depend on the success of single products and formulas and therefore any revenue stream will be concentrated. Changes in economic and political conditions including, for example, interest rates, rates of inflation, industry conditions, tax laws and other factors can substantially and adversely affect equity investments in general and the Investee Companies’ prospects in particular. Intellectual property rights do not necessarily address all potential threats to the Investee Companies’ competitive advantage.

Any new product, formula or technology carries very high risk of failure in the market.

1. Risks Relating to Returns

- Assumptions, projections, intentions, illustrations or targets included within this Information Memorandum cannot and do not constitute a definitive forecast of how the investments will perform but have been prepared upon assumptions which the Investment Advisor considers reasonable.
- The SEIS or EIS qualifying status of investments made by the Manager is dependent on the Manager being able to identify appropriate SEIS or EIS qualifying Investee Companies which carry on, and continue to carry on, a permitted activity for SEIS or EIS purposes. There is no guarantee that the Investee Companies will perform as anticipated.
- The value of Investee Companies shares may go up or down. An Investor may lose some or all of their investment. The past performance of the Manager is not a guide to the future performance of the investments made through the Fund.
- Within the Fund, the Manager intends to invest in SEIS and EIS qualifying companies deploying capital across a range of opportunities. This approach is intended to help mitigate the performance risk exposure for the Investors on an individual project or counterparty and to increase the chances of the Investee Companies generating growth for Investors. If the availability of suitable deployment opportunities for Investee Companies to deploy their capital is limited, the opportunities for diversification may be reduced.

- A total financial failure of an Investee Company may lead to a substantial or total loss of the capital invested in the Investee Company. Intellectual property rights are a key component for the commercialization of any product and the protection of such intellectual property rights is complex and difficult to achieve internationally. The Investee Companies may not have the financial resources to defend their intellectual property rights against other companies who have breached such rights.
- Each Investor should note that it is possible that other taxes or costs may be suffered by the Investor in connection with his or her investments that are not paid via, or imposed by, the Manager.
- Where there is insufficient liquidity within Investee Companies or limited opportunities for the transfer of shares, the process for providing liquidity to Investors could take several months. Investor's access to investment amounts will be according to the Manager's policy on acceptable payment requests and will vary depending on the level of requests received. Investor access to capital is available after the third year of (although any request for disposal is always subject to the Manager's discretion).
- The Investee Companies are exposed to a number of risk factors that may impact their financial performance. These factors include but are not limited to commercial risk, counterparty credit risk, project risk and interest rate risk.
- Tax relief may be withdrawn in certain circumstances and the Manager does not accept any liability for any loss or damage suffered by any Investor or other person in consequence of such relief being withdrawn or reduced. Tax law is complex and Investors should seek independent tax advice.

3 . Risks Relating to SEIS & EIS

- If an Investee Company ceases to carry on an appropriate activity for SEIS and EIS purposes, the qualifying status of the Investee Company shares may be adversely affected. While the Manager will require various safeguards to be provided against this risk, the Manager cannot guarantee that all shares in Investee Companies will continue to qualify for SEIS or EIS throughout the life of the investment.
- It cannot be guaranteed that SEIS or EIS will be available or will continue to be available, in respect of each investment made by the Manager nor whether each Investee Company will meet the qualifying provisions in advance of any investment being made by the Manager.
- If an Investee Company fails to meet the SEIS or EIS qualification requirements, a liability to tax may arise on the subsequent transfer of the relevant shares. Not all companies may qualify under HMRC for SEIS or EIS relief and circumstances may change.
- If a sale of SEIS and EIS Shares takes place or the Investee Company fails to meet the SEIS and EIS qualification requirements at any time during the period commencing when shares are issued to SEIS and EIS Investors and ending three years from the date of issue or three years from commencement of trading, if later, some or all of the SEIS and EIS tax reliefs may be withdrawn.

2 . Risks Relating to Taxation

- This Information Memorandum is prepared in accordance with the Manager's interpretation of current legislation, rules and practice. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any such changes, and in particular any changes to the bases of taxation, tax reliefs, rates of tax or the Investor's tax position, may affect the return Investors receive from the Fund.
- The tax benefits described and their value to an Investor are dependent on the Investor's personal circumstances.
- Therefore, these tax benefits may not be available to all Investors and/or may be lost by Investors in certain circumstances.

4 . Forward-Looking Statements

This Information Memorandum includes statements that are (or may be deemed to be) “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology including the terms ‘seeks’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘would’ or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Information Memorandum based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under applicable laws and regulations, the Manager undertakes to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

5 . Risk Relating to Fund & Investee Company Performance

The performance of the Fund is dependent on the ability of the Manager as advised by the Investment Advisor to identify appropriate Investee Companies which qualify and will continue to qualify for SEIS Relief and on the ability of the Investee Companies and their management teams to perform in line with their respective business plans. The ability of the Investment Advisor to identify suitable investment opportunities will depend upon the services of its key personnel and accordingly the loss of the services of these key persons could have a material adverse effect on the performance of the Fund’s investments. There is no mechanism to remove or change the Investment Advisor and Manager of the Fund other than by way of termination of the Investor’s Agreement. The Fund should therefore be considered a captive investment and an Investor should assume that any investment in the Fund will be managed by the Manager until realised.

Investee Companies may fail, and investments in Investee Companies may be realised for substantially less than the acquisition cost or may be impossible to realise at all. Investee Companies may accept other equity or debt capital which ranks higher than the Fund’s investment potentially diluting the shareholdings of the Fund.

6 . Risk Related to Doing Business Internationally

The Investee Companies may provide services and products to customers in foreign countries. As a result the Investee Companies businesses are subject to certain risks inherent in international business, many of which are beyond their control. These risks include changes in local regulatory requirements, changes in the laws and policies affecting trade, currencies, investment and taxes, differing degrees of protection for intellectual property, instability of foreign economies and governments. Any of these factors could have a material effect on the Investee Companies.

7 . Commercialisation & Regulatory Risk

The success of the Investee Companies depends heavily on the successful development, regulatory approval and commercialisation of any lead product, formula or technology. Obtaining regulatory approval for marketing of any product or formula or technology in one country does not ensure the Investee Company will be able to obtain regulatory approval in other countries, while a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in other countries. Failure to obtain regulatory approval will negatively impact any investment. Investee Companies may fail to obtain sufficient funding to re- apply for approval or to change their products. Any regulatory approval may be limited to a certain functionality or application and may be withdrawn by a regulator or governmental institution. Legal costs may be much higher than originally planned. Furthermore, even if companies obtain regulatory approval, commercial success will depend on how successfully they are able to address a number of challenges, including the following:

- development of the commercial organization and establishment of commercial collaborations with strategic partners
- establishment of commercially viable pricing and obtaining approval for adequate reimbursement from third-party and government payors
- the ability of third-party manufacturers to manufacture quantities using commercially viable processes at a scale sufficient to meet anticipated demand and that are compliant with applicable regulations

Many any of these factors are beyond the Investee Companies control.

8 . Product Liability Risks

Product liability lawsuits against any Investee Company could cause any investment to incur substantial liabilities and to limit commercialisation of any products that are developed. If Investee Companies cannot successfully defend themselves against claims that product candidates or products caused injuries, the Investee Companies will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in decreased demand for any product candidates or products or technologies, injury to reputation and significant negative media attention, significant costs to defend the related litigation, substantial monetary awards to patients, or loss of revenue.

9 . Intellectual Property

The Investee Companies may have inadequate funds to fully protect their intellectual property whether by registrations throughout the world or by bringing actions against third parties to defend and protect their rights. Third parties could claim Investee Company's technologies or products infringe or misappropriate their proprietary rights. Investee Companies may not have the resources to resist such claims notwithstanding the contrary being the position due to the costs and complexity of the litigation.

10 . Custody Risk

Your cash and assets deposited with, and held by the Custodian, shall be held at Investors' risk and neither the Manager, the Custodian nor the Investment Advisor (including their respective directors, shareholders, partners, officers, employees, agents or advisors), will be liable to any Investor in the event of insolvency of the bank in which your cash and assets are held, nor in the event of any restriction on the Custodian and Manager's ability to withdraw funds from such bank for reasons beyond their reasonable control.

11 . Risks Relating to Performance of the Manager, the Advisor & Key Persons Risks

The performance of the Fund is dependent on the ability of the Investment Advisor to source suitable early-stage technology businesses. The viability of these businesses will also to a large degree depend on the skills and experience of the Investment Advisor and the relationships it has forged with prospective management teams and intermediaries.

As such, were a key partner, consultant or employee of the Investment Advisor to leave, this might reduce the pipeline of possible opportunities in which the Fund can invest and also the smooth-running of the Investee Companies businesses in which the Fund has already invested.

The development of small companies depends on a small number of key people who have key personal relationships and business critical expertise. It is not guaranteed that such key people will stay with the Investee Companies during the period of investment. Their departure may have a significant impact on the future development of the Investee Company. An adequate replacement may not be found. A departure of one or more of the key members of the Manager or the Investment Advisor may have a significant impact on the ability of the Manager and Investment Advisor to respectively manage and advise the Fund. It may not be possible to replace such an individual either with a suitably qualified replacement, or at all.



Taxation

1. Tax Treatment

The tax treatment and regulatory environment for the Fund, and SEIS/EIS investments in general, may change from time to time depending on governmental and regulatory priorities and circumstances. There is no guarantee that the expected SEIS reliefs will always be available in the form expected. It is possible that some or all of the expected reliefs are withdrawn by the Government, potentially retrospectively. In particular, the Government and HM Revenue & Customs have been taking steps recently to tighten the regulations in relation to SEIS and EIS investments which seek to provide capital protection and to remove SEIS and EIS benefits from some such investments.

There are circumstances in which an Investor could cease to qualify for the taxation advantages offered by the SEIS and EIS. For example (and without prejudice to the generality) Capital Gains Deferral relief could be lost if an Investor ceases to be resident or ordinarily resident in the United Kingdom during the three year minimum holding period. In addition, an Investor could cease to qualify for income tax relief if he receives value from one of the investee companies during the period beginning one year before the shares in the Investee Companies are issued and ending on the conclusion of the three year minimum holding period. Payment of a dividend, however, would not typically be regarded as a receipt of value as long as the dividend is derived from commercially-originated distributable earnings.

If an Investee Company ceases to carry on business of the type prescribed for SEIS and EIS Qualifying Companies during the three year period, this could prejudice its qualifying status under the SEIS and EIS. If an Investee Company does not comply with the rules in relation to utilisation of the invested funds with the applicable time limits then this again could prejudice its qualifying status under SEIS or EIS.

The consequences of either the Investor or the Investee Company ceasing to qualify for SEIS or EIS purposes could include withdrawal of any tax reliefs already received by an Investor (including repayment for example of any income tax relief to HMRC) and the loss of any future SEIS or EIS reliefs.

The primary tax advantages available to investors are SEIS and EIS tax reliefs, whereby fund returns may be enhanced subject to the personal circumstances of each Investor.

The main shared SEIS and EIS tax advantages are:

Tax free capital gains

There is no capital gains tax liability on gains on the disposal of shares which have been held for at least three years on which SEIS or EIS income tax relief has been obtained.

100% inheritance tax exemption

Through the availability of Business Property Relief, there may be 100% inheritance tax exemption on the death of the investor (or on certain lifetime transfers) for each individual investment that has been held for at least two years.

Loss relief

A loss on any qualifying investment in the portfolio, irrespective of the overall performance of the portfolio, can be offset by individuals against income of the tax year of the loss, or of the previous year, or against capital gains of the tax year of the loss and future years.

The main SEIS tax advantages are:

50% income tax relief

Income tax reduction equal to 50% of the amount invested (claims limited to investments of £100,000 per annum). An Investor can opt to treat an investment as having been made in the previous tax year, in whole or in part, such that the tax reduction is available against income tax payable in that year rather than in the year of investment.

Capital gains tax exemption

Reinvestment relief available to provide exemption for other capital gains made in the year of up to 50% of subscriptions on which SEIS relief is claimed.

The main EIS tax advantages are:

30% income tax relief

Income tax reduction equal to 30% of the amount invested (claims limited to investments of £2m per annum providing £1m is in knowledge intensive companies). An Investor can opt to treat an investment as having been made in the previous tax year, in whole or in part, such that the tax reduction is available against income tax payable in that year rather than in the year of investment.

Capital gains tax deferral relief

Capital gains tax deferral of gains on the sale of other assets up to the value of EIS investment's made within one year before or three years after the date of the disposal of the assets which give rise to the gain.



Operation of the Nova SEIS & EIS Fund

1. Administration & Custody

The function of the Custodian will be to perform administrative and custodian services, which are conferred upon it by the terms of the Custodian Agreement. The Custodian will also provide that the Nominee will perform the nominee services.

By completing the Application Form, prospective Investors will, inter alia, be deemed to have irrevocably agreed to the Manager having appointed the Custodian on behalf of Investors, to exercise the powers, and to carry out duties, on behalf of the Investors in accordance with the provisions of the Custodian Agreement, certain provisions of which are summarised below. Investors should note that the following does not summarise all the provisions of the Custodian Agreement. Investors may request a copy of the agreement from the Manager.

Shares will be issued in the name of the Nominee and will be treated as if they were subscribed for and issued to the Investors who will retain beneficial ownership over them. All documents of title will be held by the Nominee.

Under the terms of the Custodian Agreement, the Custodian will:

- Hold funds arising from Investor Subscriptions in a bank account pending investment in Shares
- Deploy funds on the instructions of the Manager acting in accordance with the Investor Agreement
- Appoint the Nominee to acquire Shares and hold the corresponding shares and share certificates in its name
- Acting in compliance with applicable law and FCA rules

The Custodian will be authorised to:

- Buy, sell, retain, convert, exchange or otherwise deal in the Investor's Shares upon the instructions of the Manager
- Exercise voting and other shareholder rights in relation to the Investor's Shares upon the Instructions of the Manager
- Carry out such other acts and deeds which are in its reasonable opinion necessary or reasonably incidental to its appointment as an Custodian, acting in compliance with ITA, IHTA, FSMA and the FCA Rules as applicable

2. Conflicts Policy

Nova Growth Capital Limited, as Investment Advisor, may approve an investment in an SEIS/EIS-qualifying company in which members of the Nova team may have a commercial interest. The Manager shall take steps necessary to ensure that such decisions are taken fairly and without reference to that commercial interest.

The Manager acts and will continue to act as the investment manager, operator, agent and/or investment advisor to various other new and existing clients which are involved in the financing or management of opportunities in the technology, life sciences and renewable energy sectors. Projects may therefore arise that are suitable for the Investee Companies, or one or more other clients of the Manager (both current and future).

The Manager will seek in its absolute discretion to ensure that any suitable projects are allocated fairly between such other clients of the Manager in accordance with the conflicts policies of the Manager from time to time and without prejudice to the Manager's obligations to the Investors. A summary of the Manager's policy for managing conflicts of interest is available on request.

There may be circumstances in the future, where the Manager might enter (or propose to enter) into contracts, transactions, arrangements or investments in connection with Investee Companies invested in by the Manager or may otherwise be directly or indirectly interested in contracts, transactions, arrangements with, or investments by, the same. Such circumstances (if they occur) will be managed in accordance with any requirements under applicable laws and regulations.

3 . Frequently Asked Questions

Who should invest in the Nova Cofoundry SEIS & EIS Fund?

The Fund would be suitable for UK tax-paying investors who want direct access to the fast-growing UK early-stage technology sector, have a higher tolerance of risk, are looking for a longer-term investment and whose personal circumstances allow them to take advantage of the SEIS and EIS Reliefs, such that they are able to benefit from the income tax relief and/or defer capital gains.

Who owns the investments I make via the Nova Cofoundry SEIS & EIS Fund?

In order for your investment in the Fund to qualify for SEIS and EIS Reliefs, it is a requirement of HM Revenue and Customs that individual investors are the beneficial owners of the shares. However, to enable efficient administration and prompt settlement of transactions, we recommend that the shares that you beneficially own be registered in the name of the custodian or its nominee company which will hold them on your behalf.

How do I check on the progress of my investment in the Nova Cofoundry SEIS & EIS Fund?

You will be sent contract notes, by post, every time we buy or sell any investments on your behalf in the Fund. In addition, you will be sent a formal portfolio valuation and portfolio review twice per year, or more regularly if you wish. You will also be sent a consolidated tax voucher at the end of each tax year.

What is the minimum amount I can invest?

The minimum investment in the Fund is £5,000. The maximum investment per investor per annum is £2,000,000.

How long do I have to wait before I am eligible for SEIS & EIS reliefs?

Shares that are eligible for SEIS reliefs must be held for a minimum of three years in order to be eligible for the full tax advantages available under the Seed Enterprise Investment Scheme. After this period, the portfolio may continue to benefit from the exemption to inheritance tax.

When will I receive the SEIS3 and EIS3 certificates for my investment?

Nova expect but cannot guarantee to deliver all SEIS3 and EIS3 forms by the end of October in the tax year following that of your investment

What happens to my investment after I die?

Provided the Fund has been invested in Investee Companies that are eligible for Business Property Relief for at least two years, the prevailing market value of these holdings will be exempt from IHT. Normally a claim will be made by your executor(s) after your death to confirm eligibility for Business Property Relief. On the instruction of your executor(s) we will, if requested, realise your investment as soon as possible, or continue to manage some or your entire investment on behalf of your beneficiaries. If the qualifying company shares are transferred to a surviving spouse or civil partner, your period of ownership will pass to them, thereby preserving the Business Property Relief if the portfolio is retained. Should the investor die within two years of investment, the portfolio can be transferred to a surviving spouse/civil partner without restarting the qualifying period. If this is not possible, the investment will not benefit from IHT relief.

Will I have to pay the initial fee or the annual management fee?

No, any initial manager fee and annual management fee is payable by the Investee Companies. Therefore, up to 100% of your investment may be allocated, thus maximising the tax efficiency of your investment.

How do I apply?

You should first review this Information Memorandum and in particular the section on suitability and risks. You also need to review the Investor Agreement and the Application Form. If in doubt about the suitability of this product, you should consult your IFA, tax or other professional advisor. You should then complete the Application Form and Client Suitability Form and send it, with your subscription cheque, to:

Nova Growth Capital Limited
17 Boundary Street
Liverpool
L5 9UB

What happens to my money when it is waiting to be invested?

During this time your money is held in a client money account with trust status maintained by the appointed custodian.

Can the manager facilitate the payment of advice fees to my financial advisor?

The Manager is able to facilitate the payment of any initial advisor charge arising in connection with this investment where the Investor has directed the Manager to do so on the Application Form.

When do I get my SEIS & EIS income tax and CGT tax advantages?

Tax advantages can be claimed when investments are made into underlying portfolio companies, rather than when you make an initial subscription to the Fund.

How do I claim my SEIS tax advantages?

If you are eligible for SEIS and EIS tax advantages we will deliver to you an SEIS3 or EIS3 certificate following each investment into a portfolio company. This certificate can be used to claim your income tax, capital gains tax and inheritance tax reliefs. If you prefer, we can arrange for these certificates to be sent directly to your accountant or advisor for ease of administration.



The Investor Agreement

This Investor Agreement (the "Agreement") sets out the terms and conditions for the Fund, acceptance of an Investor's Application Form by the Manager will constitute a binding agreement between such Investor and the Manager.

1. Definitions

- 1.1.** This Agreement employs the same defined terms as are found in the definitions section of this document.
- 1.2.** Words and expressions defined in the FCA Rules which are not otherwise defined in or for the purposes of this Agreement shall, unless the context otherwise requires, have the same meaning in this Agreement.
- 1.3.** Any reference to a statute, statutory instrument or to rules or regulations shall be references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.
- 1.4.** References to the singular only shall include the plural and vice versa.
- 1.5.** Unless otherwise indicated, references to Clauses shall be to Clauses in this Agreement.
- 1.6.** Headings to Clauses are for convenience only and shall not affect the interpretation of this Agreement.

2. Investing in the Nova Cofoundry SEIS

- 2.1.** By signing the declaration contained in the Application Form, the Investor agrees to be bound by the terms and conditions of this Agreement.
- 2.2.** The Investor hereby appoints the Manager to manage the Investment for the Investor on the terms set out in this Agreement. The Manager agrees to accept its appointment and obligations on the terms set out in this Agreement.

2.3. The Manager is authorised and regulated by the Financial Conduct Authority with references number 550103 and has its offices at 134 Buckingham Palace Road, London, United Kingdom SW1W 9SA.

2.4. The Investor has the right to cancel this Agreement for a period of up to 14 calendar days from the day on which the Manager accepts the Application Form. If the Investor wishes to cancel this agreement, he must submit a cancellation request to the Manager, in writing. In the event of cancellation:

2.4.1. the Investor will receive back from the Manager or the Custodian his Subscription, net of the Custodian's reasonable processing costs, within 28 calendar days thereafter; and

2.4.2. all further provisions of this Agreement shall cease thereupon to apply.

3. Subscriptions

3.1. In respect of the Fund:

3.1.1. The Investor shall make a Subscription of not less than £5,000 at the same time as submitting his Application Form to invest in the Fund. The maximum Subscription is £2,000,000 and SEIS Income Tax Relief is limited to £100,000 in the current tax year, although this may be carried back to a previous tax year to the extent of unused SEIS Income Tax Relief in those years. EIS Income Tax Relief is limited to £2,000,000 in the current tax year, although this may be carried back to a previous tax year to the extent of unused EIS Income Tax Relief in those years.

3.2. The Investor may only terminate the Agreement pursuant to Clause 15 below.

3.3. The Custodian shall deposit Subscriptions received in a non-interest bearing client account pursuant to Clause 7 pending their investment.

3.4. The Manager reserves the right not to proceed with the Fund in the event that the Manager considered inadequate amounts have been raised to make the Fund viable, in which event the Manager will return Subscriptions without interest to Investors.

4. Services

4.1. The Manager will manage the Fund on the terms set out in this Agreement. The Manager will exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investments on the terms set out in this Agreement.

4.2. The Manager as agent for the Investor will engage the Custodian to provide administrator and safe custody services in relation to the investments in Investee Companies and the cash and to provide nominee services.

4.3. The Investor hereby authorises the Manager (and grants to the Manager a power of attorney) to act on its behalf and in the name of the Investor or its nominee to negotiate, agree and do all such acts, transactions, agreements and deeds as the Manager may deem necessary or desirable for the purposes of making, managing and realizing Investments and managing cash funds and any other investments on behalf of the Investor and this authority (and power of attorney) shall be irrevocable and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution of the Investor. This authority (and power of attorney) will terminate upon the complete withdrawal of the Investor from the Fund.

4.4. The Manager shall not, however, except as expressly provided in this Agreement or unless otherwise authorised, have any authority to act on behalf of, or in respect of, the Investor or to act as the agent of the Investor.

5 . Investment Objectives & Restrictions

5.1. In performing their respective roles and services, the Investment Advisor and Manager shall at all times have regard to:

5.1.1. The need for the Investments to attract SEIS or EIS Income Tax Relief and/or CGT Deferral Relief, and

5.1.2. all Applicable Laws.

5.2. Generally, the Manager reserves the right to return uninvested cash if it concludes that it cannot be properly invested for the Investor and it considers it to be in the best interests of the Investor having regard to availability of Income Tax Relief and CGT Deferral Relief for the Investor.

5.3. In the event of a gradual realisation of Investment prior to termination of the Fund under under Clause 15.1. the cash proceeds of the realised Investment may either be returned to the Investor or be placed on deposit or invested in government securities or in other investments of a similar risk profile.

6 . Terms Applicable to Dealing

6.1. In effecting transactions for the Fund, the Manager will act in accordance with the FCA Rules and will ensure that best execution is sought at all times and deals are made on such markets and exchanges and with such counterparties as the

Manager thinks fit. The Manager maintains a written execution policy with respect to these matters and will provide the Investor with a copy upon written request.

6.2. Subject to the FCA Rules, transactions for the Fund may be aggregated with those of other clients of the Manager and/or Investment Advisor (including other Investors), and of the Investment Advisor's/Manager's employees and associates and their employees. Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FCA Rules and endeavours will be made to ensure that the aggregation will work to the advantage of each of the Investors, including the Investor, but the Investor acknowledges that the effect of aggregation may work on some occasions to the Investor's disadvantage.

6.3. Where deals are aggregated with those for other Investors, the Manager shall have absolute discretion as to the number of shares in the Investee Company held as an Investment allocated to the Investor, provided that Investors shall not have fractions of shares. Minor rounding up or down may be allowed to prevent Investors being deemed to be interested in fractions of shares and the aggregate of fraction entitlements may be held by the Custodian for the Manager but the investor is always the beneficial owner of the shares held for him/her.

6.4. Certain categories of professional persons are required to be excluded from any Investments to which they or their employer are connected, for the purposes of prevailing tax legislation.

6.5. The Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, shall have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under this Agreement; and

6.5.1. if purchasing Investments, be entitled to Investments actually delivered by the relevant counterparty and thereafter to a cash sum from the client settlement bank account equal to the whole or relevant part of the sum debited to the account in respect of the relevant Investments; and

6.5.2. if selling Investments, be entitled to cash actually paid to such relevant counterparty and thereafter to Investments held by the Custodian in the nominal value of the bargain made for the Investor.

7 . Custody & Administration Arrangements

7.1. The Manager will act as agent for the Investor to engage the Custodian and Nominee to provide a custody, safe-keeping and administration service for Investors and the Fund. For the avoidance of doubt, the Custodian will treat the Manager as its client and does not treat the Investor as a client under the FCA Rules.

7.2. Investments will be registered in the name of the Nominee on behalf of the Investor, and will therefore be beneficially owned by the Investor at all times, but the Nominee will be the legal owner of the Investments in the Fund.

7.3. The Custodian or Nominee will hold any title documents or documents evidencing title to the Investments.

7.4. Investments or title documents may not be lent to a third party and nor may there be any borrowing against the security of the Investments or such documents.

7.5. An Investment may be realised in order to discharge an obligation of the Investor under this Agreement, for example in relation to payment of fees, costs and expenses.

7.6. The Custodian may appoint the Manager as its proxy at shareholder meetings and will vote or act in accordance with instructions from the Manager in relation to any votes or other rights exercisable by The Fund.

In the case of variations in the share capital, receipts of a notice of conversion or proposal to wind up, amalgamate or takeover a company in which an Investment is held for the Investor:

- a** a bonus or capitalisation issue will be automatically credited to an Investor's beneficial holding
- b** otherwise (where appropriate) the Manager will be sent a summary of the proposal and the required action to be taken (if any)
- c** if, on a rights issue, no instruction is received from the Manager, the Nominee will allow the rights to lapse. Lapsed proceeds in excess of £5 will be credited to the Investor. Sums less than this will be retained for the benefit of the Custodian. However, if nil paid rights in a secondary market are acquired for the Investor, such rights will be taken up, unless the Manager provides contrary instructions
- d** an Investor's beneficial holding; all offers will be accepted upon going unconditional whether or not any instructions have been received

- e** entitlement to shares will be to the nearest whole share rounded down and the aggregate of fractional entitlements may be held by the Nominee for the Custodian. If partly paid shares are held for the Investor and are subject of a call for any due balance and no instruction is received, the Custodian may sell sufficient of the Investments to meet the call

7.7. The Custodian will hold cash subscribed by the Investor in accordance with the Client Money Rules of the FCA. Such cash balance will be deposited with an authorised credit institution in the name of the Custodian. The Custodian may debit or credit the Investor's account for all sums payable by or to the Investor (including dividends receivable in cash and fees and other amounts payable by the Investor).

7.8. Interest will not be payable on credit balances by the Custodian.

8 . Reports & Information

8.1. The Custodian will produce and upload statements to investors' online accounts quarterly in January, April, July and October with April's being an annual statement rather than a quarterly one, in compliance with the FCA Rules. Reporting will commence following the end of the current tax year. Reports will include a measure of performance once valuations are available for the Investment.

8.2. Details of dividends, if any, which are received in respect of the Investments will be provided in respect of each tax year ending 5th April and appropriate statements sent to the Investor.

8.3. Contract notes will be provided for each transaction for the Investor's participation.

8.4. The Manager shall supply (or arrange for the Custodian to supply) such further information which is in its possession or under its control as the Investor may reasonably request as soon as reasonably practicable after receipt of such request.

9 . Fees & Expenses

9.1. The Custodian shall receive fees for their respective services, payable by the Investment Advisor, upon presentation of invoice to the Manager or Investment Advisor.

9.2. Investors participation in the Fund shall be free of fees, except for direct applications which will bear a 2.5% administration fee and investments via certain investment platforms (e.g. Kubern) which will bear administration fees determined by that individual platform from time to time. This fee will not apply for applications made via a financial advisor. Therefore up to 100% of Investors capital may be deployed thus delivering maximum tax efficiency for the Investor.

10 . Management & Administrations Obligations

10.1. The Manager and the Custodian shall devote such time and attention and have all necessary competent personnel and equipment as may be required to enable them to provide their respective services properly, efficiently and in compliance with the FCA Rules.

10.2. Except as disclosed in the Information Memorandum and as otherwise provided in this Agreement (for example on early termination), the Manager will take any action which may prejudice the tax position of the Investor insofar as they are aware of the relevant circumstances, and in particular which may prejudice obtaining the Income Tax Relief and/ or CGT Deferral Relief for the Investments.

11 . Obligations of the Investor

11.1. The Investor's participation in the Fund shall be on the basis of the declaration made by the Investor in his Application Form which includes statements by the Investor in relation to the following matters, namely:

11.1.1. whether or not the Investor wishes to claim Income Tax Relief and/or CGT Deferral Relief for the Investment;

11.1.2. that he agrees to notify the Manager if the Investment with which the Investor is connected within section 163 and sections 166 to 171 of the Income Tax Act 2007, (in which case 6.5 of this Agreement will apply at once);

11.1.3. that he agrees to notify the Investment Advisor if, within three years of the date of issue of shares in an Investee Company within three years of commencement of its trade if later, the Investor becomes connected with the company or receives value from such company (in which case clause 6.5 will apply at that time); and

11.1.4. the Investor's tax district, tax reference number and National Insurance number. The Investor confirms that the information stated in the Application Form in these (and all other) respects is true and accurate as at the date of this Agreement.

11.2. The Investor agrees immediately to inform the Investment Advisor in writing of any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which Clause 11.1 above refers.

11.3. In addition, the Investor agrees to provide the Investment Advisor with any information which it reasonably requests for the purposes of managing the Fund pursuant to the terms of this Agreement.

11.4. If the Investor has requested in the Application Form that the Manager should facilitate the payment of Financial Intermediary Fees which the Investor's Financial Intermediary has agreed relate to the advice that the investor received to invest in the Fund or to the arrangement of the Investor's Subscription to the Fund, the Investor shall ensure that the details of such Financial Intermediary Fees are clearly specified, and shall further undertake to inform the Manager forthwith if the Investor terminates his relationship with the Financial Intermediary in question, such that further Financial Intermediary Fees for continuing services to the Investor are not applicable and should not therefore become payable in any or all of the three years following closing.

12 . Delegation & Assignment

The Manager may, where reasonable, employ agents, including associates, to perform any administrative, custodial or ancillary services to assist the Manager in performing its services, in which case it will act in good faith and with due diligence in the selection, use and monitoring of agents. Any such employment of agents shall not affect the liability of the Manager under the terms of this Agreement.

13 . Potential Conflicts of Interest & Disclosure

The Manager may provide similar services or any other services whatsoever to any other client and shall not in any circumstance be required to account to the Investor for any profits earned in connection therewith. So far as is deemed practicable it will use all reasonable endeavours to ensure fair treatment as between the Investor and other clients in compliance with the FCA Rules. The Manager has in place a conflict of interest policy (the "Conflicts Policy") pursuant to the FCA Rules which sets out how it identifies and manages conflicts of interest. Under the Conflicts Policy, the Manager is required to take all reasonable steps to identify conflicts of interest between:

- The Manager, including its employees and contracted consultants, or any person directly or indirectly linked to them by control, and a client of the Manager; or
- One client of the Manager and another client. The Manager believes that it should identify any conflicts that may arise in other situations including between the Manager and any of its shareholders. Where the Manager owes a duty to such clients, it must maintain and operate arrangements to prevent any conflict from giving rise to a material risk of damage to the interests of its clients. A copy of the Conflicts Policy is available upon request

14 . Liability of the Manager

14.1. The Manager will at all times act in good faith and with reasonable care and due diligence. Nothing in this clause 14 shall exclude any duty or liability owed to the Investor by the Manager under the FCA Rules.

14.2. Neither the Manager or Advisor shall be liable for any loss to the Investor arising from any investment decision made in accordance with the Investment Objective and the Investment Restrictions or for other action in accordance with this Agreement howsoever arising except to the extent that such loss is judicially and finally determined to be directly due to the gross negligence or wilful default or fraud attributable to the Manager or of its Associates or any of their respective employees."

14.3. The Manager shall not be liable for any defaults of any counterparty, agent, banker, nominee or other person or entity which holds money, investments or documents of title for the Fund, other than such party which is its Associate.

14.4. In the event of any failure, interruption or delay in the performance of the Manager's obligations resulting from acts, events or circumstances not reasonably within its control including but not limited to acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunications or computer service or systems, the Manager shall not be liable or have any responsibility of any kind to any loss or damage thereby incurred or suffered by the Investor.

14.5. The Manager does not give any representations or warranty as to the performance of the Fund. The Investor acknowledges that Investments are high risk Investments, being non-readily realisable investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. The Investor undertakes that he has considered the suitability of investment in SEIS Qualifying Companies carefully and has noted the risk warnings set out in the Information Memorandum.

14.6. You hereby undertake to indemnify, and keep fully and effectively indemnified, the Manager and the Investment Advisor on demand from and against any and all liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses imposed upon, incurred by or asserted against either of them arising from or in connection with performance of our or their obligations under this Investor Agreement or arising from breach by you or any of your obligations or duties or representations you may be deemed to have given under this Agreement and/or the Application Form, provided that you will not be required to so indemnify the Manager or the Investment Advisor (as the case may

be) where such liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses are finally and judicially determined by a competent court to be primarily attributable by the negligence, wilful default or fraud of the Manager or Investment Advisor (as the case may be).

15 . Termination

15.1. The Manager shall reserve the right to terminate the Fund. On termination of the Nova SEIS, all shares held in the Investee Company/ies will either be sold and cash transferred to the Investor and/or the shares will be transferred into the Investor's name or as the Investor may otherwise direct.

15.2. The Investor is only entitled to withdraw his investments to the extent those investments comprise:

15.2.1. Relevant Shares which are admitted to official listing in an EEA state or to dealings on a recognised investment exchange, at any time after the fifth anniversary of the date the Relevant Shares were issued;

15.2.2. other Relevant Shares, at any time after the fifth anniversary of the date of the Relevant Shares were issued;

15.2.3. shares other than Relevant Shares, at any time after the end of the period of 6 months beginning with the date those Relevant Shares ceased to be Relevant Shares;

15.2.4. cash, at any time.

15.3. If:

15.3.1: the Manager gives to the Investor not less than three months' written notice of its intention to terminate its role as Manager under this Agreement;

15.3.2. the Manager ceases to be appropriately authorised by the FCA or becomes insolvent; or

the Manager shall endeavor to make arrangements to transfer the Investments to another fund manager in which case that fund manager shall assume the role of the Manager under this Agreement, failing which the Agreement shall terminate forthwith and, subject to Clause 17, the Investments held for the account of the Investor shall be transferred into the Investor's name or as the Investor may otherwise direct.

15.3.3. the Manager has a lien on all assets being withdrawn from the SEIS Company and shall be entitled to dispose of some or all of the SEIS Companies in order to discharge any liability of the Investor to the Manager. The balance of proceeds will then be passed to the Investor.

15.4. If the Manager gives to the Investor not less than three months' written notice of its intention to terminate its role as Manager under this Agreement or the Manager ceases to be appropriately authorised by the FCA or becomes insolvent, then the Manager shall endeavour to make arrangements to transfer the Nova SEIS to another appropriately constituted and authorised fund manager in which case that fund manager shall assume the role of the Manager under this Agreement, failing which this Agreement shall terminate forthwith and, subject to Clause 16, the Investments in the Investee Companies shall be transferred into the Investor's name or as the Investor may otherwise direct. The Investor shall be liable for any reasonable costs incurred for the provision of services under this clause 15.

15.5. Without prejudice to paragraph 15.1, an Investor wishing to sell his or her interest in one or more Investee Companies may give notice to the Manager of the investment he or she wishes to sell and indicating a reserve price, if any. The Manager at its discretion may invite bids from such other Investors as it deems appropriate. To ensure transparency, the selling Investor will be provided with information (excluding names of under bidders) on all bids received. The Manager may charge a fee for this service. Any sales or transfers will be subject to provisions of articles of association of Investee Companies and shareholder agreements which the Manager may have entered into on behalf of the Investor in respect of his shares.

16 . Consequences of Termination

16.1. On termination of this Agreement pursuant to Clause 15, the Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Agreement.

16.2. Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save for the cost of fees, expenses and costs properly incurred by the Manager or the Custodian up to and including the date of termination and payable under the terms of this Agreement.

16.3. On termination, the Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay the Investor's outstanding liabilities, including fees, costs and expenses payable under Clause 9 of this Agreement, the details of which are set out in Schedule 2 to this Agreement.

17 . Confidential Information

17.1. Neither the Manager nor the Investor shall disclose to third parties information the disclosure of which by it would be or might be a breach of duty or confidence to any other person.

17.2. The Manager shall not be required to take into consideration for the purposes of this Agreement information which comes to the notice of an employee, officer or agent of the Manager or of any Associate but does not come to the actual notice of the individual employees, officer or agent of the Manager providing services under this Agreement to the Investor.

17.3. The Manager will at all times keep confidential all information acquired in consequence of this Agreement, except for information which

17.3.1. is public knowledge; or

17.3.2. which may be entitled or bound to be disclosed under compulsion of law; or

17.3.3. required to be disclosed by regulatory agencies; or

17.3.4. is given to its professional advisors where reasonably necessary for the performance of their professional services;

17.3.5. needs to be shared with the Custodian, Investment Advisor or other party for the proper performance of this Agreement; or

17.3.6. is authorised to be disclosed by the other party and shall use all reasonable endeavours to prevent any breach of this sub-clause.

17.4. The Investor undertakes to provide all information the Manager, Nominee and/or Custodian shall require or be obliged to obtain for the purposes of the Foreign Account Tax Compliance Act or any other similar disclosure or reporting regime and the Manager is authorized to make any such disclosure or report.

17.4.1. The Custodian may verify the Investor's identity and assess the Investor's financial standing. In doing so, a credit or mutual reference agency may be consulted which will record a search.

18 . Complaints & Compensation

18.1. The Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request. Should an Investor have a complaint, he should contact the Manager. If the Manager cannot resolve the complaint to the satisfaction of the Investor, the Investor may be entitled to refer it to the Financial Ombudsman Service.

18.2. Where the Investor is categorized by the Manager as a retail client, if for any reason the Investor is dissatisfied with the Manager's final response, the Investor is entitled to refer its complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the Manager's final response. The Financial Ombudsman can be contacted at: Email: complaint.info@financial-ombudsman.org.uk
Tel: 020 7964 1000

18.3. The Manager is covered by the Financial Services Compensation Scheme. The Investor may be entitled to compensation from the scheme if the Manager cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum of £50,000. Further information about compensation arrangements is available on request from the Manager or from www.fscs.org.uk

19 . Notices, Instructions & Communications

19.1. Notices of instructions to the Manager should be in writing and signed by the Investor, except as otherwise specifically indicated.

19.2. The Manager may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by the Investor under the Application Form or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated.

20 . Unsolicited Real Time Financial Promotion

The Manager and Investment Advisor may communicate an unsolicited real time financial promotion (i.e. interactive communications such as a telephone call promoting investments) to the Investor.

21 . Amendments

The Manager may amend this Agreement by giving the Investor not less than ten business days' written notice. The Manager may also amend these terms by giving the Investor written notice with immediate effect if such is necessary in order to comply with HMRC requirements in order to maintain the Nova EIS Relief and CGT Deferral Relief or in order to comply with the FCA Rules, and the Investor shall be bound thereby.

22 . Data Protection

All data which the Investor provides to the Manager and/or the Investment Advisor is held by that party subject to the Data Protection Act 2018. The Investor agrees that the Manager may pass personal data to other parties insofar as is necessary in order for it to provide services as set in this Agreement and to the FCA and any regulatory authority which regulates it and in accordance with other Applicable Laws.

23 . Entire Agreement

23.1. This Agreement, together with the Application Form, comprises the entire agreement of the Manager with the Investor relating to the provision of its services in relation to the Fund and supersedes all earlier meetings, any correspondences, or discussions that may have taken place preceding the signing of the Application Form.

23.2. Clause 23.1 is without prejudice to the Custodian's agreement.

24 . Rights of Third Parties

Aside from the Custodian, who may enforce provisions of this Agreement which refer to it by name and to its rights and obligations in relation to the Investor, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of such third party which exists or is available apart from that Act.

25 . Severability

If any term, condition or provision of this Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this Agreement.

26 . Governing law

This Agreement and all matters relating thereto shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.



Glossary & Definitions

The following defined terms are used throughout this document

Application Form	An application form to invest in the Fund completed by the prospective Investor.
Appointed Representative	A firm or person who runs regulated activities and acts as an agent of a firm directly authorised by the FCA.
Associate	Any person, company or other entity which by direct or indirect means exerts control over, or is itself controlled by, Nova where “control” shall include the ability to exercise significant influence over the operating or financial policies of the relevant person or entity.
Client Appropriateness Form	The questionnaire that evidences the investor circumstance and level of understanding, in the context of investing in the Fund.
Coinvested with Nova	Invested into a company in which Nova hold an equity interest.
Custodian Agreement	The Agreement between the Custodian and the Manager on behalf of the Investors, which governs the appointment of the Custodian.
EIS	Enterprise Investment Scheme.
EIS Qualifying Company	A company that meets the requirements for a qualifying investor to be eligible for income tax relief and capital gains tax deferral under the rules of the Enterprise Investment Scheme.
FCA	The Financial Conduct Authority, and any successor.
FCA Rules	The rules and guidance contained within the FCA Handbook.
Financial Intermediary Fee	The fee payable by the Investment Advisor to the appointed financial intermediary of the Investor, at the express direction of the Investor.
The Fund	The Nova Cofoundery SEIS & EIS Fund.
Gross Negligence	In relation to any person, a standard of conduct beyond negligence whereby that person acts with reckless disregard for the consequences of his or her action or inaction.
HMRC	Her Majesty’s Revenue and Customs.
IHT	Inheritance Tax.
Information Memorandum	This Information Memorandum issued in relation to the Fund.

Investee Company	A company in which an Investment is made under the be the Fund
Investment	An investment made in the Fund.
Investor Agreement	The agreement to be entered into by each Investor in the terms set out in this Information Memorandum.
Investor	A person who completes an Application Form and who is accepted by the Custodian and the Manager as an investor in the Fund.
Investor Subscription	The aggregate amount subscribed by an Investor in the Fund.
Manager	Sapia Partners LLP, a limited liability partnership, with company number OC354934 and with registered address at 134 Buckingham Palace Road, London, SW1W 9SA.
Nova	Nova Growth Capital Limited (FRN: 826519), the Investment Advisor, a private limited company by shares registered in England and Wales under company number 11591402 and with its registered office at Box Studios, 17 Boundary Street, Liverpool L5 9UB.
Nova Cofoundery SEIS & EIS Fund	The Fund as described in this Information Memorandum.
Nova Team	The team of investment professionals of the Investment Advisor.
Qualifying Shares	Ordinary shares of a company that meets the requirements for a qualifying investor to be eligible for income tax relief and capital gains tax deferral under the rules of the Seed Enterprise Investment Scheme.
SEIS	Seed Enterprise Investment Scheme.
SEIS Qualifying Company	A company that meets the requirements for a qualifying investor to be eligible for income tax relief and capital gains tax deferral under the rules of the Seed Enterprise Investment Scheme.
Subscription	The aggregate amount invested by an Investor under the terms of the Investor Agreement.
Three Year Period	The period beginning on the date on which the shares in the Company are issued and ending three years after that date.

NOVA

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Nova Growth Capital Limited is registered in England & Wales, Company No. 11591402. Registered Office: 17 Boundary Street, Liverpool L5 9UB. Nova Growth Capital Limited (FRN: 826519) is an appointed representative of Sapia Partners LLP which is authorised and regulated by the Financial Conduct Authority (FRN: 550103).